

AO 120 (Rev. 2/99)

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| TO: Mail Stop 8 Director of the U.S. Patent & Trademark Office P.O. Box 1450 Alexandria, VA 22313-1450 | REPORT ON THE FILING OR DETERMINATION OF AN ACTION REGARDING A PATENT OR TRADEMARK |
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In Compliance with 35 § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been
 filed in the U.S. District Court Northern District of California on the following ☒ Patents or ☐ Trademarks:

| | | |
|-------------------------------------|--------------------------------|--|
| DOCKET NO. CV 11-00502 LB | DATE FILED 02/02/2011 | U.S. DISTRICT COURT Northern District of California, 1301 Clay Street, RM 400S, Oakland, CA 94612 |
| PLAINTIFF SHOPZILLA INC | | DEFENDANT KELORA SYSTEMS LLC |
| PATENT OR TRADEMARK NO. | DATE OF PATENT OR TRADEMARK | HOLDER OF PATENT OR TRADEMARK |
| 1 <i>6,275,821</i> | | SEE ATTACHED |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |

In the above—entitled case, the following patent(s) have been included:

| | | |
|----------------------------|---|-------------------------------|
| DATE INCLUDED | INCLUDED BY <input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading | |
| PATENT OR TRADEMARK NO. | DATE OF PATENT OR TRADEMARK | HOLDER OF PATENT OR TRADEMARK |
| 1 | | SEE ATTACHED |
| 2 | | |
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In the above—entitled case, the following decision has been rendered or judgement issued:

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| DECISION/JUDGEMENT |
|--------------------|

| | | |
|-----------------------------|-------------------|------|
| CLERK Richard W. Wicking | (BY) DEPUTY CLERK | DATE |
|-----------------------------|-------------------|------|

Copy 1—Upon initiation of action, mail this copy to Commissioner Copy 3—Upon termination of action, mail this copy to Commissioner
 Copy 2—Upon filing document adding patent(s), mail this copy to Commissioner Copy 4—Case file copy

1 LAW OFFICES OF JORDAN TRENT JONES
Jordan Trent Jones (State Bar No. 166600)
2 100 Spear Street, 18th Floor
San Francisco, CA 94105
3 Telephone: (415) 357-8940
Facsimile: (415) 371-0500
4 E-mail: jtjones@jordanjonesiplaw.com

5 KILPATRICK TOWNSEND & STOCKTON LLP
James G. Gilliland, Jr.(State Bar No. 107988)
6 Two Embarcadero Center, 8th Floor
San Francisco, CA 94111
7 Telephone: (415) 576-0200
Facsimile: (415) 576-0300
8 Email: jgilliland@kilpatricktownsend.com

9 Eric M. Hutchins (State Bar No. 245462)
Hogene L. Choi (State Bar No. 256617)
10 379 Lytton Avenue
Palo Alto, CA 94301
11 Telephone: (650) 326-2400
Facsimile: (650) 326-2422
12 Email: ehutchins@kilpatricktownsend.com
hchoi@kilpatricktownsend.com

13 Attorneys for Plaintiff
14 Shopzilla, Inc.

15 UNITED STATES DISTRICT COURT
16 FOR THE NORTHERN DISTRICT OF CALIFORNIA
17 OAKLAND DIVISION

18 SHOPZILLA, INC.,

19 Plaintiff,

20 v.

21
22 KELORA SYSTEMS, LLC,

23 Defendant.
24

Case No.

4DR
C11-00502

COMPLAINT FOR DECLARATORY
JUDGMENT

25 Plaintiff, Shopzilla, Inc., alleges as follows:

26 **The Parties**

27 1. Shopzilla, Inc. ("Shopzilla") is a California corporation with its principal place of
28 business at 12200 W. Olympic Boulevard, Suite 200, Los Angeles, CA 90064.

2. On information and belief, Kelora Systems, LLC (“Kelora”) is a Delaware limited liability corporation with its principal place of business at 19925 Stevens Creek Blvd., Suite 100, Cupertino, California, 95014.

Nature of the Action

3. This is a declaratory judgment action in which Shopzilla seeks a determination that it does not infringe at least reexamined claims 1 and 2 of U.S. Patent No. 6,275,821 under 35 U.S.C. § 271; that at least reexamined claims 1 and 2 of this patent are invalid under at least 35 U.S.C. §§ 102, 103, 112, and/or 305; and that Shopzilla has intervening rights to at least reexamined claims 1 and 2 of this patent under 35 U.S.C. §§ 252 and 307(b).

Jurisdiction and Venue

4. On information and belief, this Court has personal jurisdiction over Kelora because Kelora is doing business in, and has its principal place of business in, this Judicial District at 19925 Stevens Creek Blvd., Suite 100, Cupertino, California, 95014.

5. This Court has subject matter jurisdiction over Shopzilla’s claims under 28 U.S.C. §§ 1331 and 1338(a) because those claims arise under the patent laws of the United States, 35 U.S.C. §§ 101, *et seq.*, and under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202.

6. Venue is proper in this judicial district under 28 U.S.C. §§ 1391(b) and (c).

Intradistrict Assignment

7. This intellectual property action normally would be assigned on a district-wide basis under Civil Local Rule 3-2(c), however, under Rule 3-12, this action is related to: *PartsRiver, Inc. v. Shopzilla, Inc., et al.*, No. 4:09-cv-00811 CW (“the PartsRiver lawsuit”); *eBay Inc. v. PartsRiver, Inc. and Kelora Sys., LLC*, No. 5:10-cv-05106 CW (“the eBay DJ lawsuit”); and *Microsoft Corp. v. PartsRiver, Inc. and Kelora Sys., LLC*, No. 3:10-cv-05108 CW (“the Microsoft DJ lawsuit”), which were related and assigned to Judge Wilken in the Oakland Division on January 6, 2011.

8. PartsRiver is Kelora’s predecessor-in-interest to ownership of the ’821 patent. PartsRiver previously asserted original claims 1 and 2 of the ’821 patent against Shopzilla, Microsoft, eBay, and other defendants in the PartsRiver lawsuit. On information and belief,

1 PartsRiver assigned all rights to and claims under the '821 patent to Kelora prior to issuance of the
2 certificate of reexamination for the '821 patent.

3 9. On November 10, 2010, Microsoft filed the Microsoft DJ lawsuit against PartsRiver
4 and Kelora with respect to non-infringement and invalidity of at least reexamined claims 1 and 2 of
5 the '821 patent.

6 10. On November 10, 2010, eBay filed the eBay DJ lawsuit against PartsRiver and
7 Kelora with respect to non-infringement and invalidity of at least reexamined claims 1 and 2 of the
8 '821 patent.

9 **Factual Background**

10 11. U.S. Patent No. 6,275,821 ("the '821 patent") is entitled "Method and System for
11 Executing a Guided Parametric Search" and originally issued on August 14, 2001.

12 12. The '821 patent expires on October 14, 2014.

13 13. On information and belief, PartsRiver was the owner by assignment of the '821
14 patent.

15 14. On information and belief, Kelora is the owner by assignment from PartsRiver of all
16 rights to and claims under the '821 patent.

17 15. On information and belief, Kelora is also the owner by assignment from PartsRiver
18 of all infringement claims asserting the '821 patent.

19 16. The '821 patent expires on October 14, 2014.

20 17. The first-named inventor of the '821 patent is Mohamed Sherif Danish ("Sherif
21 Danish").

22 18. Sherif Danish lives in Cupertino, California.

23 19. Sherif Danish has referred to the '821 patent as the "Step Search" patent.

24 20. On information and belief, after PartsRiver acquired ownership of the '821 patent,
25 Sherif Danish encouraged PartsRiver to enforce the '821 patent.

26 21. On October 3, 2007, PartsRiver filed suit in the Eastern District of Texas (No. 2:07-
27 cv-440-DF) alleging that the following companies infringe the '821 patent: Shopzilla, Inc.;



ValueClick, Inc.; PriceRunner Limited; Yahoo!, Inc.; PriceGrabber.com, Inc.; eBay, Inc.; and Microsoft Corporation.

22. On December 22, 2008, the United States Patent and Trademark Office ("Patent Office") determined that a substantial new question of patentability affected claims 1 and 2 of the '821 patent and ordered *ex parte* reexamination of those claims (Reexamination Control No. 90/009,316).

23. On January 30, 2009, the Court in the Eastern District of Texas transferred PartsRiver's action to the Northern District of California, where it was assigned to Judge Wilken as Civil Action No. 4:09-cv-00811-CW.

24. On May 28, 2009, Shopzilla, along with other defendants in that case, filed with Judge Wilken a motion for summary judgment of noninfringement and invalidity of claims 1 and 2 of the '821 patent.

25. On June 18, 2009, an examiner at the Patent Office issued an Office Action finally rejecting claims 1 and 2 of the '821 patent under 35 U.S.C. § 102(b) as being anticipated by Granacki et al., *A Component Library Management System and Browser*, ISI Research Report, ISI/RR-93-386, USC/Information Sciences Institute, April, 1993.

26. On August 21, 2009, Judge Wilken granted summary judgment that claims 1 and 2 of the '821 patent were invalid under 35 U.S.C. § 102(b) due to the on-sale bar.

27. On September 18, 2009, PartsRiver appealed the examiner's final rejection of claims 1 and 2 to the Board of Patent Appeals and Interferences ("BPAT").

28. On September 18, 2009, PartsRiver appealed Judge Wilken's summary judgment of invalidity to the United States Court of Appeals for the Federal Circuit.

29. The notice of appeal that PartsRiver filed on September 18, 2009, was signed by the firm Manatt, Phelps & Phillips, LLP.

30. On January 29, 2010, PartsRiver filed a brief in the Federal Circuit arguing that Judge Wilken's summary judgment of invalidity should be reversed.

31. The brief that PartsRiver filed in the Federal Circuit was signed by Manatt, Phelps & Phillips, LLP.

32. On April 14, 2010, Shopzilla, along with other defendants in that case, filed a brief in the Federal Circuit arguing that Judge Wilken's summary judgment of invalidity should be affirmed.

33. On May 20, 2010, while its appeal before the BPAI was pending, PartsRiver requested entry of an amendment to claim 1, as well as entry of a new claim 9. In its remarks accompanying the amendment, PartsRiver stated:

The amendment of claim 1 presented herein adjusts the claim language of claim 1 to correspond to that of allowed claim 9.¹¹ Claim 1 is now believed to reflect, albeit explicitly, the legal scope of claim 1 as previously issued. As such, although the text of claim 1 has been altered by amendment, the claim scope is legally identical to that of originally issued claim 1. This change in language has been adopted for the sole purpose of terminating the present reexamination to avoid lengthy appeal proceedings.

34. On June 24, 2010, the examiner dismissed PartsRiver's appeal to the BPAI and issued a Notice of Intent to Issue Reexamination Certificate ("NIRC") stating that the amended claim 1 and the new claim 9 were allowable.

35. On June 29, 2010, the domain name "KELORA.COM" was registered.

36. Sherif Danish in Cupertino, California was listed as the "Technical Contact" and the "Administrative Contact" for "KELORA.COM."

37. The webpage at <http://www.kelora.com/> includes the following statement: "Kelora develops the most advanced product search technologies. Our patented, award winning Step Search® technology is the industry norm for narrowing search results."

38. The webpage at http://www.kelora.com/Contact_US.html provides the following contact information:

Kelora Systems LLC
19925 Stevens Creek Blvd #100
Cupertino, CA 95014
408-518-2055

39. On September 28, 2010, Kelora was formed as a Delaware limited liability company.

40. On information and belief, on October 7, 2010, PartsRiver executed an agreement assigning all of its interest in the '821 patent to Kelora, including all claims asserting the '821 patent.

41. On October 15, 2010, PartsRiver filed a motion in the Federal Circuit to dismiss its appeal and to vacate Judge Wilken's judgment of invalidity.

42. The motion that PartsRiver filed in the Federal Circuit was signed by Manatt, Phelps & Phillips, LLP.

43. The motion that PartsRiver filed in the Federal Circuit did not mention Kelora.

44. On October 22, 2010, Shopzilla, along with other defendants in that case, filed a brief opposing PartsRiver's motion to vacate Judge Wilken's judgment of invalidity.

45. On October 27, 2010, PartsRiver filed a reply brief in the Federal Circuit in support of its motion to dismiss the appeal and to vacate Judge Wilken's judgment of invalidity.

46. The reply brief that PartsRiver filed in the Federal Circuit was signed by Manatt, Phelps & Phillips, LLP.

47. The reply brief that PartsRiver filed in the Federal Circuit did not mention Kelora.

48. On information and belief, on October 29, 2010, an Assignment of Assignor's Interest was recorded at the Patent Office, assigning all of PartsRiver's interest in the '821 patent to Kelora, at reel/frame no. 025217/0633.

49. On November 2, 2010, the Patent Office issued a reexamination certificate for the '821 patent reflecting: the allowed amendment to claim 1, the confirmation of unamended dependent claim 2, and the allowed new claim 9.

50. The reexamination certificate lists PartsRiver as the assignee.

51. On information and belief, PartsRiver, predecessor-in-interest of Kelora, contends that the scope of reexamined claims 1 and 2 of the '821 patent is legally identical to that of originally issued claims 1 and 2 of the '821 patent.

52. On information and belief, Kelora likewise contends that the scope of reexamined claims 1 and 2 of the '821 patent is legally identical to that of originally issued claims 1 and 2 of the '821 patent.

53. On information and belief, as of November 11, 2010, Kelora contends that Shopzilla should pay Kelora for a license to the '821 patent regarding the Shopzilla websites that PartsRiver previously accused of infringement in the PartsRiver lawsuit.

54. Based on the foregoing, there is an actual controversy between Kelora and Shopzilla concerning non-infringement, invalidity, and intervening rights with respect to at least reexamined claims 1 and 2 of the '821 patent.

Count I

Declaratory Judgment of Noninfringement

55. Shopzilla incorporates by reference the allegations of paragraphs 1-54 above.

56. Shopzilla has not infringed, and is not now infringing, at least reexamined claims 1 and 2 of the '821 patent.

Count II

Declaratory Judgment of Invalidity

57. Shopzilla incorporates by reference the allegations of paragraphs 1-54 above.

58. At least reexamined claims 1 and 2 of the '821 patent are invalid.

Count III

Declaratory Judgment of Intervening Rights

59. Shopzilla incorporates by reference the allegations of paragraphs 1-54 above.

60. The scope of reexamined claim 1 of the '821 patent is not legally identical to the scope of any original claim of the '821 patent.

61. The scope of reexamined claim 2, which depends from claim 1, of the '821 patent is not identical to the scope of any original claim of the '821 patent.

62. Under 35 U.S.C. § 252 ¶ 1 and § 307(b), Kelora may not bring an action against Shopzilla for relief based on patent infringement causes arising before November 2, 2010, with respect to at least reexamined claims 1 and 2 of the '821 patent.

63. Shopzilla is entitled to absolute intervening rights under 35 U.S.C. § 252 ¶ 2 and § 307(b) with respect to at least reexamined claims 1 and 2 of the '821 patent.

64. Shopzilla is entitled to equitable intervening rights under 35 U.S.C. § 252 ¶ 2 and § 307(b) for the protection of investments made and business commenced before November 2, 2010, with respect to at least claims 1 and 2 of the '821 patent.

Prayer for Relief

Shopzilla prays for the following relief:

- A. A declaration that Shopzilla has not infringed and is not infringing at least reexamined claims 1 and 2 of the '821 patent;
- B. A declaration that at least reexamined claims 1 and 2 of the '821 patent are invalid;
- C. A declaration that Kelora may not bring an action against Shopzilla for causes arising before November 2, 2010, with respect to at least reexamined claims 1 and 2 of the '821 patent;
- D. A declaration that Shopzilla is entitled to absolute intervening rights with respect to at least reexamined claims 1 and 2 of the '821 patent;
- E. A declaration that Shopzilla is entitled to equitable intervening rights with respect to at least reexamined claims 1 and 2 of the '821 patent;
- F. An order declaring Shopzilla the prevailing party and that this is an exceptional case, awarding Shopzilla its costs, expenses, disbursements, and reasonable attorneys' fees under 35 U.S.C. § 285 and all other applicable statutes, rules, and common law;
- G. That Kelora be ordered to pay all costs associated with this action; and
- H. That Shopzilla be granted any other relief that the Court deems just and proper.

Dated: February 2, 2011

By: 

Jordan Trent Jones
LAW OFFICES OF JORDAN TRENT JONES
James G. Gilliland, Jr.
Eric M. Hutchins
Hogene L. Choi
KILPATRICK TOWNSEND & STOCKTON LLP
Counsel for Plaintiff, Shopzilla, Inc.

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